

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6073**

**BILL NUMBER:** HB 1036

**NOTE PREPARED:** Nov 4, 2007

**BILL AMENDED:**

**SUBJECT:** Proof of motor vehicle financial responsibility.

**FIRST AUTHOR:** Rep. Ulmer

**BILL STATUS:** As Introduced

**FIRST SPONSOR:**

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** This bill: (1) makes it a Class C infraction for an operator of a motor vehicle who is: (A) stopped by a law enforcement officer for a moving traffic offense; or (B) involved in an accident investigated by a law enforcement officer that results in death, injury, or property damage of at least \$1,000; to fail to submit to the officer proof of financial responsibility;

(2) requires a law enforcement officer who investigates a motor vehicle accident that results in personal injury, death, or property damage of at least \$1,000 to submit certain information concerning proof of financial responsibility to the State Police Department; and

(3) requires the Bureau of Motor Vehicles (BMV) to adopt rules concerning proof of financial responsibility.

**Effective Date:** Upon passage; July 1, 2008.

**Explanation of State Expenditures:** Requiring the BMV to adopt rules can be accomplished within existing levels of staff and resources. The fund affected is the Motor Vehicle Highway Account, which supports the BMV.

**Background Information:** In CY 2005, the BMV reported there were 93,171 citations issued for no insurance, resulting in 49,606 suspensions; 55,303 citations issued for no-insurance accidents, resulting in 41,230 suspensions; 3,660 suspensions for repeat no-insurance violations; and 3,860 no-insurance court suspensions. The accident threshold was \$750 for the accidents reported. (NOTE: This will be updated upon receipt of the CY 2006 data.)

**Explanation of State Revenues:** *Penalty Provision:* If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class C infraction is \$500, which is deposited in the state General Fund.

If court actions are filed and a judgment is entered, a court fee of \$70 would be assessed, 70% of which would be deposited in the state General Fund if the case is filed in a court of record or 55% if the case is filed in a city or town court. In addition, some or all of the judicial salaries fee (\$17), the public defense administration fee (\$3), the court administration fee (\$3), and the judicial insurance adjustment fee (\$1) are deposited into the state General Fund.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** *Penalty Provision:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$70 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the discretion of the judge and depending upon the particular type of case.

**State Agencies Affected:** :Bureau of Motor Vehicles.

**Local Agencies Affected:** Trial courts, local law enforcement agencies.

**Information Sources:** Bureau of Motor Vehicles suspension and citation data for CY 2005.

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